

## Iraq Local Governance Program

# Postconflict Restoration of Essential Public Services: The Al Basrah Experience

*During Saddam Hussein's regime, local government had little autonomy in service delivery and financial management. Following the U.S.-led overthrow of the regime, a key objective was to quickly get services in place and functional in order to avert a humanitarian crisis. The Iraq Local Governance Program (LGP) worked with the Coalition Provisional Authority (CPA), the military, municipal service-delivery departments, and other U. S. Agency for International Development (USAID) projects to restore basic services in Al Basrah.*

Among the objectives of the U.S.-led CPA were the immediate restoration of essential public services and the reconstruction of major infrastructure to improve the quality of life for Iraqi citizens. The CPA and the coalition military forces faced the challenge of restoring essential services quickly in order to avert a humanitarian crisis and to satisfy Iraqi citizens' expectations for improvement following the regime change. Postconflict Iraq possessed a weak local civil administration: the local civil service had little experience in decision making, the government was generally perceived to be riddled with corruption, and the legacy of decades of central government control and intimidation of local officials had conditioned these officials and the civil service to avoid taking initiative. In addition, the extensive sabotage and looting following the war had incapacitated local service-delivery departments and ruined or destroyed most of their assets. These conditions—coupled

with the effects of 7 years of war with Iran (which began in 1980), two U.S.-led wars (Desert Storm and Iraqi Freedom), 10 years of economic embargo, and decades of governmental economic mismanagement and neglect—left Iraq's public services infrastructure in shambles. This brief describes how the LGP in Al Basrah Governorate successfully restored essential public services to prewar levels, improved the quality of services, and facilitated extension of these services to formerly neglected communities. Several lessons can be drawn from this experience.

### Designing a program for the restoration of essential services

In May 2003, when the first members of the LGP arrived in Al Basrah, the CPA had already dismissed the governor of Al Basrah (governorate), the mayor of Al Basrah (city), and all senior Ba'ath Party members from their government positions. This action created a significant administrative and managerial vacuum. Local departments of central ministries were left without leadership, or, at best, with technical personnel with no previous managerial experience who were promoted to head these offices. In addition, these offices lacked resources, and staff members were hesitant to take initiative. At the same time, Iraqi citizens were pressing the coalition forces about the restoration of electricity, water, sewerage, health care, education, gasoline distribution, and security services. The military was under the impression that large teams of civilian contractors, to whom postcombat infrastructure and service restoration could be handed off, would soon be arriving. However, at this point, many of the contractors had only a skeleton staff.

Because of the CPA's and coalition forces' desire to move quickly on service restoration and the perception that assessments had already been conducted by the military and USAID's Office of Transition

The USAID/Iraq LGP, implemented by RTI International\* provided training, technical assistance, and other resources that included small grants to establish and strengthen local administrations, civic institutions, and processes in order to establish, develop, and strengthen a participatory, democratic, subnational government that delivers effective and efficient services to Iraqis. The LGP responded to specific challenges faced by subnational governments, democratic institutions and processes, and civil society organizations (CSOs). The program sought to empower individuals and civic groups to have a say in setting local social and economic development and investment priorities through democratic participation and interactions with local government leaders. The LGP began in April 2003 and ended in May 2005.

\*RTI International is the trade name of Research Triangle Institute.

Initiatives (OTI), the LGP was initially constrained from conducting a full-scale assessment to determine the status of the service infrastructure before beginning work in Al Basrah. Nevertheless, the LGP consulted extensively with local service-delivery department staff of the central ministries and with civic groups, such as the Federation of Iraqi Engineers, neighborhood committees, and chambers of commerce.

At the same time, the LGP found that because of the long history of government intimidation, Iraqis were initially distrustful of foreigners and guarded about speaking openly in front of other Iraqis. Governorate-level and local government facilities had been vandalized—tools, vehicles, consumables, and spare-parts inventories had been significantly looted or rendered nonfunctional. Customer records were lost, and because of the war, local government employees had not been paid salaries since January or February 2003. Furthermore, at least for the first 6 months following the end of formal hostilities, the local market had only a limited capacity to provide any imported spare parts and tools needed for the repair of electric generators, power stations, substations, water pumps, water-treatment plants, and solid-waste removal equipment.

The LGP also found that governorate-level and local government managers were afraid to take the initiative in restoring services because of the legacy of central planning and controls in place from the previous regime. Further, these government officials and staff members were not accustomed to having private-sector partners in service delivery or to conducting open, competitive tendering for services.

The objectives of the central ministries conflicted with the objectives of the newly appointed local authorities. Increasingly, the newly reestablished ministries began to block local initiatives. For example, for the 6 months beginning with April 2003, allocated budgets for spare parts and other nonsalary operating expenses were not disbursed from Baghdad.

As the first step in planning for the restoration of essential services, the LGP began attending weekly coordination meetings (conducted by lead agencies, such as UNICEF) on various sectors of basic services to learn more about the groups involved in the reconstruction process.<sup>1</sup> The LGP also conducted one-on-one meetings with other USAID contractors, other donors' contractors, nongovernmental organizations (NGOs), and international agencies. These meetings were held to explain the LGP's concept and mandate, identify various resources available, and learn what other organizations were doing to restore services. The LGP began coordinating with governorate-level and local government managers and visited service-delivery departments' facilities. LGP staff assessed the facilities to determine their needs in restoring and delivering services to citizens. In addition, in collaboration with the military, the LGP helped establish the Al Basrah City Council, which met weekly to assess service needs and discuss progress. The LGP also met with the coalition forces and local councils to assess the security situation.

The LGP's second step involved developing a service-restoration action plan. The LGP prioritized local needs and coordinated the list of needs with USAID and other donors' contractors. LGP staff then hired local consultants for the short term with skills in infrastructure services. Working with local service-delivery departments and the consultants, LGP staff developed a final list of tools, spare parts, consumables, and equipment needed to restore services such as electric power, water, sewerage, and solid waste.

At that time, the resources available to the LGP included small rapid-response grants (RRGs). These grants were mainly available for the purchase of small tools and spare parts and for the rehabilitation and furnishing of office facilities to provide a functioning office environment.<sup>2</sup> The LGP also developed a draft RRG application form with space to include an outline of needs and a discussion of coordination with other programs and contractors, site and environmental issues, design and environmental mitigation provisions, worker health-and-safety requirements, and specific steps for procurement and implementation. LGP staff coordinated with other contractors on the proposed grants, met with USAID on grant requests, and finalized grant proposals for approval. They then hired local consultants for the short term to monitor grant execution and provide technical guidance to implementing entities—both government staff and local private-sector contractors.

## Launching the essential-services restoration technical assistance program

The LGP's service-restoration action plan was implemented within a historical context in which the central administration had determined access to public services. In the past, the ethnic areas or localities that did not support or that had opposed the Ba'ath Party programs and activities had been denied access to public services. The LGP's objective was to ensure that all Iraqis benefited from restored services, regardless of their ethnic, political, or religious affiliations. LGP staff worked with local USAID contractors and other donors' contractors and engineers to arrange for open advertisement of pending contracts and competitive tendering. The LGP provided oversight of procurement and tendering activities, including assistance to local government departments on how to write performance-based contracts and how to conduct fair, open, and competitive tenders.

To foster accountability and transparency practices, the LGP provided digital cameras to local consultants to monitor grant execution and create a daily record of purchases and progress inspections. Pictures were taken of the repaired equipment (e.g., water pumps) to show their condition before and after repairs. Pictures were also taken of spare parts that were purchased in advance and later used in repairs, to help the LGP monitor spare-parts inventories. Furthermore, the LGP implemented a weekly open system for processing receipts and writing monitoring reports on all progress achieved, a weekly system of payment to government agencies and contractors, and a weekly system of cash-flow projections to enable program management to maintain payments to

1 These UNICEF-led coordination networks ceased after the bombing of the United Nations (UN) building in Baghdad.

2 The maximum amount of each RRG was set at \$250,000.

government agencies and contractors. The LGP worked with local council members to monitor service delivery by local contractors and to help ensure that worker wage guidelines and occupational health-and-safety measures were being followed, especially for the sewer-cleaning contracts that involved hiring workers from the neighborhoods being improved. The LGP also distributed cell phones to government managers, field repair crews, and various facilities operators to provide a temporary means of communication in the absence of land lines, thus significantly improving the monitoring of progress to restore essential services.

### Transition from emergency repairs to capacity building for long-term service delivery

Although the LGP's focus between May and November 2003 was on emergency repairs, the program quickly shifted to long-term capacity building in order to sustain local service delivery. RRGs were used to purchase small tools and test equipment. They were also used to repair and refurbish the offices of local service-delivery departments so that the departments could provide functional work space for their staff and restore operations.

In addition, the LGP conducted strategic-planning exercises for service delivery, surveyed government agencies about their previous budgets and budget-planning activities, and interactively prepared budgets with governorate-level institutions for the next fiscal year. LGP staff also set up computer-training rooms in some of the service-delivery directorates (for water supply, sewerage, and power production and distribution) and used local short-term consultants to train staff in basic and advanced computer skills. The LGP helped establish Internet cafés for the local staff to use. Once these cafés were established, LGP staff helped local Iraqi consultants set up e-mail accounts and begin to conduct Internet searches on various infrastructure topics and on best service-delivery practices from around the world.

The LGP worked to facilitate the formation of public-private partnerships. For example, staff conducted community workshops with children on sanitation services (solid-waste and sewerage services) and health concerns. They used the community workshops as a mechanism to interact closely with local councils on needs and to educate the public on how to interact with their local councils in order to influence government. In addition, the LGP worked with butchers from the private sector to (1) set up a committee to provide input to design changes for the Al Basrah slaughterhouse, thus creating ownership of the improvements; and (2) restore working relationships through this committee between the City of Al Basrah and the butchers.

### The Al Basrah service-restoration results

Using RRGs and leveraging other contractors' resources, LGP staff in Al Basrah were able to restore electric power, water, and sewerage services to residents of the Al Basrah Governorate and its environs. For example, by working with Bechtel, a USAID infrastructure contractor, the LGP was able to arrange for Bechtel to purchase and deliver electric generators, while the LGP provided grants for their installation by the General Iraq Company of Electrical Services.

For the most part, however, services were restored and sustained simply by investing in small tools and work equipment for service-department employees and in spare parts and training in project management.

Approximately 4 million people residing in Al Basrah and neighboring governorates benefited from LGP assistance to the power sector. The LGP facilitated the repair of the Al Basrah power-distribution network and power stations and substations of the General Iraq Company of Electrical Services in Hartha, Nej, Shu, Al Kibla, Moufajia, and Kuz.

LGP assistance to the water sector restored services to approximately 1.6 million residents. The LGP assisted with the repair of the Al Basrah raw-water canal dredging and cleanup and the repair and refurbishment of the Al Basrah Water Directorate's office and plant. LGP staff provided water repairs and water-quality analysis equipment and helped rehabilitate the reverse-osmosis water intake facility, repair the Al Basrah water-distribution network, and repair the Al Basrah, Al Mounwad, Hartha, Al-Germah, Al Jubrielah, Al Rubat, and Al Brathiya water-treatment plants.

The LGP also helped restore sewerage services by assisting with the cleaning and repair of sewerage networks in Al Rubat, Al Ashair, Al Hussein, Al Jamiyat, Maqel, and Asmai and the rehabilitation of the Al Basrah Sewerage Directorate office. These actions benefited more than 1.5 million people. The LGP provided RRGs for the repair of solid-waste removal vehicles and support equipment. Approximately 25 RRG activities totaling US\$2.7 million were completed between May 2003 and July 2004.

LGP activities strengthened the capacities of the Electric Power, Water, and Sewerage Directorates and provided training to more than 1,325 staff members in basic computer skills, project management, accounting and budgeting, contract management, and transparent procurement and contracting procedures. The Al Basrah LGP staff transferred its successful models to neighboring governorates, including Al Muthanna, Dhi Qar, and Maysan.

During all these activities, Al Basrah served as a hub office with a full complement of technical expertise. Initially, the LGP provided technical assistance and training out of this hub office until a full-service governorate LGP office was established in each of the surrounding governorates. Later, when the security situation deteriorated, the LGP Al Basrah office provided technical assistance to the neighboring governorates through extensive training and deployment of local staff.

### Lessons

The restoration of essential services was an integral part of the CPA's strategy to win the hearts and minds of Iraqi citizens. It was also part of the overall infrastructure rehabilitation and reconstruction strategy. The LGP's experienced utility managers sought to restore services quickly and incorporate "best practices" into local government service-delivery strategies in Al Basrah and elsewhere in Iraq. The LGP's ability to do so, however, was somewhat hampered by the central ministries' reluctance to accept decentralized service delivery.



This resistance created funding bottlenecks in Baghdad. Service-delivery restoration was also affected by the rise of the insurgency, which resulted in the destruction and looting of some of the restored services.

## *Success through cooperation and collaboration*

The LGP's essential-services restoration experience confirms a key lesson of other postconflict capacity-building efforts: the success of such efforts requires strong cooperation and coordination with the military and other donors' programs. In Al Basrah, the British forces were motivated and ready to work with the LGP and local councils to restore services. The British provided security and safeguarded the LGP's cash reserves that were being held to pay local contractors, purchase spare parts, and finance small grants. The British also provided security information that the LGP used in planning daily activities and movements.

Early coordination with other contractors helped the LGP to fill its knowledge gap regarding the status of essential services in the region and the entities involved. Collaboration with other groups helped to leverage LGP resources and identify and coordinate larger scale infrastructure repairs and replacements.

## *Sustained service delivery through engagement of local civil service staff*

The LGP, particularly in the early days of the program, relied heavily on the knowledge and skills of the local civil service staff in lieu of a full-fledged diagnostic assessment of the status of essential needs and services. The LGP found that the central ministries' local departments and local municipality offices had well-defined procurement systems for spare parts and services. The LGP also found that local civil servants were well educated, skilled, and motivated; concerned about the need to restore services immediately; and willing to work closely with the LGP. These governorate-level and local government staff members were knowledgeable about the needs and priorities of the local population and knew how to address them. However, they lacked simple instructions, a few tools, and other resources to restore services. Once the Iraqi counterparts, most of whom were technically competent, were provided with technical assistance and RRGs to purchase and use spare parts and small tools, significant service-delivery improvements were achieved.

## *Sustained technical service delivery through reliance on local talent*

Iraq has a large number of trained and educated cadres of engineers. Many of these professionals previously worked in state-owned enterprises or in the private sector. Involving the private sector in essential-services restoration efforts not only augmented the skills of service-delivery departments but also created employment opportunities for many Iraqis. More importantly, these Iraqis complemented the LGP's staff and carried out technical assistance when the expatriate staff was locked down as the security situation deteriorated.

## *Credibility through accountability and transparency*

In a country with a reputation for corruption, government accountability and transparency at the local level are essential in order for

citizens to support and work with the local government officials and local councils. The LGP's introduction of accountability and transparency early in the services-restoration process appears to have given credibility to local service-delivery departments and strengthened the legitimacy of local officials. It also had the added benefit of giving donors and investors confidence that their investments would be put to good use.

## *Results through public-private partnerships*

In Al Basrah, the LGP involved local communities in the essential-services restoration efforts in many ways. The communities were asked to nominate workers; participate in service delivery—particularly in solid-waste removal—or in monitoring progress of service restoration; and secure the assets. Private sector contractors worked with the local community and the service-delivery departments to restore services. Only when projects involve local service-delivery departments, civic groups (such as the interim neighborhood advisory councils), and the private sector are essential services quickly restored, secured, and provided in a sustainable manner. Involvement of civic groups is essential for understanding local priorities and for safeguarding restored service-delivery assets from sabotage and looting.

## *Quick restoration of services through rapid-response grants*

The RRG element of the LGP was critical in restoring basic services and in building the capacities of service-delivery departments. RRGs provided small tools, personal protective gear, and supplies, and they gave the LGP the flexibility to be involved with service delivery and capacity building for local service-delivery departments. They also helped the LGP establish strong working relationships with the local government departments.

## *Continued efforts toward decentralization*

The future of decentralized service delivery is still uncertain. The long history of central planning and control and the misunderstanding by central ministry officials about the effects of decentralized service delivery continue to be an issue. This issue manifests itself in budget-disbursement bottlenecks, refusal to accept the department heads appointed by the coalition forces, and efforts to reassert central control. It is hoped that the situation will improve as local governments, local government associations, local councils, and local civil society organizations become strong advocates for decentralization.

*Postconflict Restoration of Essential Public Services: The Al Basrah Experience* was written by Samuel Tadesse and Derick W. Brinkerhoff, based on LGP documents and input from Sandra Cointreau, the senior public-utilities specialist in Al Basrah. This brief is dedicated to the memory of William F. Fuller, who led the LGP start-up team in Al Basrah.

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